

the registered historic district (16 U.S.C.A. 470) and [is certified by the United States Secretary of Interior or his delegate as being of historic significance to the district] INCLUDED IN THE MARYLAND INVENTORY OF HISTORIC SITES.

(c) "Certified rehabilitation" means any rehabilitation of a certified historic structure or of any other structure located in a registered historic district which [the Secretary of the Interior has certified as being consistent with the historic character of that property or district] IS CONSISTENT WITH THE HISTORIC CHARACTER OF THAT PROPERTY OR DISTRICT AS DETERMINED IN ACCORDANCE WITH REGULATIONS PROMULGATED BY THE COMPTROLLER.

(e) "Substantially rehabilitated property" means property described in § 1250 of the Internal Revenue Code with respect to which the additions to capital account during the 24-month period ending on the last day of any taxable year, reduced by any amounts allowed or allowable as depreciation or amortization allowable thereto, exceeds the greater of the adjusted basis of the property OR \$5,000. THE ADJUSTED BASIS OF THE PROPERTY shall be determined as of the beginning of the first day of the 24-month period, or of the holding period of the property (within the meaning of § 1250 (c) of the Internal Revenue Code), whichever is later.

(m) In the case of the demolition of a certified historic structure:

(1) No deduction otherwise allowable under § 280 (a) of Article 81 of this Code may be allowed to the owner or lessee of the structure for any amount expended for the demolition or any loss sustained on account of the demolition; and

(2) Amounts described in paragraph (1) shall be treated as property chargeable to capital account with respect to the land on which the demolished structure was located; and

(3) For purposes of this subsection, any building or other structure located in a registered historic district shall be treated as a certified historic structure unless the United States Secretary of the Interior has certified, prior to the demolition of the structure, that the structure is not of historic significance to the district].

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1976.

Approved May 17, 1976.

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